

Defector To Return To Soviet

Yurchenko Says He Was Held Forcibly in U.S.

Compiled by Our Staff From Dispatches
WASHINGTON — Vitaly Yurchenko, a high-ranking Soviet intelligence official who the United States said had defected, said Monday he had been "forcibly abducted" held for three months in Washington and escaped to the Soviet Embassy.

Mr. Yurchenko said at a news conference at the embassy, "My only wish is to return as soon as possible to my country, my family and friends."

He said he had been "forcibly abducted by unknown persons" in July and brought unconscious to United States, where he was drugged and kept in isolation and denied access to Soviet officials.

Earlier, a spokesman for the Senate Intelligence Committee said he had been told by the Central Intelligence Agency about Mr. Yurchenko's decision to return to the Soviet Union.

There was no immediate comment from U.S. officials.

Since his defection, administration officials said, Mr. Yurchenko had provided information to the Soviets in New York about Soviet intelligence operations in Europe and the United States.

Now, perhaps, he was to have identified himself as one CIA employee, including November 1971 Edward Howard, a former agent who disappeared last month while working under federal surveillance. Mr. Howard has fled the United States, and no arrests have resulted from Mr. Yurchenko's information.

Mr. Yurchenko, 50, defected to the United States in Rome in early August. At that time, he was described as the No. 5 man in the

REALISGB.

TO ROME: The United States has acknowledged the defection of Mr. Yurchenko only once officially. On Oct. 11, following press reports that he had defected, the State Department said in a statement:

"We can now officially confirm that Vitaly Yurchenko, a senior official of the KGB, has been in the United States for some time. He has previously asked that his presence here not be publicized."

REALLY: Prior to his defection, the statement said, Mr. Yurchenko "served as deputy chief in the North American Regional Department of the KGB's First Chief Directorate (Foreign Intelligence)."

The first chief director handles KGB intelligence operations worldwide. Mr. Yurchenko was specifically responsible for the direction of KGB counterintelligence and operations in the United States and Canada," the statement said.

"During his lengthy career in the KGB, he held various key positions within the KGB, including chief of the Department Five or Directorate X (Worldwide Counterintelligence) of the First Chief Directorate. He had also been posted to the Soviet Embassy in Washington 1975-1980."

Mr. Yurchenko's defection closely followed that of two other high-ranking Soviet intelligence officers.

At about the time that Mr. Yurchenko's defection was first reported in late September, U.S. officials confirmed that Sergei Bokhan, the deputy director of Soviet military intelligence in Athens, had defected to the West in May and had provided information about the penetration of the Greek government by Soviet agents.

Also this summer, Oleg A. Gordeevsky, a KGB official who Western officials said had led a long career as a double agent, defected from his post in London.

(AP, Reuters, UPI)



Tatiana, the daughter of Mrs. Bonner, and her mother, Ruth, listening to her call from the Soviet Union over a speaker phone Monday at their home in Newton, Massachusetts.

Sakharov Talks With Relatives in U.S., Says He Has Ended Hunger Strike

Associated Press

NEWTON, Massachusetts — Andrei D. Sakharov, the Soviet scientist, spoke by telephone Monday with relatives in the United States for the first time in six years, telling them he had ended a hunger strike that may have caused Soviet officials to let his wife seek medical treatment in the West.

Mr. Sakharov, speaking to his stepchildren and his mother-in-law, said he had lost 44 pounds (20 kilograms) and weighed about 130 pounds when he abandoned the fast.

He said he ended the hunger strike when his wife, Tatiana G. Bonner, was told she would be granted a visa that would allow her to leave the Soviet Union and to return within three months.

Mrs. Bonner, 62, who also spoke during the call, has an eye ailment.

"They want us to know he is alive, that's quite clear," said Tatiana Yanklevich, Mr. Sakharov's stepdaughter. She was referring to Soviet authorities who forced him and his wife into internal exile in the city of Gorki.

She said the call was a surprise. It was the first time in 18 months that Mrs. Bonner has talked with relatives by phone.

Mr. Sakharov, 64, is regaining weight, he and his wife said.

"His only problem now is his heart," Mrs. Yanklevich's husband, Efrem, said after talking to Mr. Sakharov.

Mrs. Bonner told the family that she would leave for Siena, Italy, late this month and undergo an operation there on her eyes. She said she would travel to the United States after the operation.

The family said it was not clear whether she would seek treatment in the United States for a heart ailment.

The family members planned another phone conversation on Nov. 18 to discuss final travel plans. "We believe she will know by then when she is leaving for Moscow," Mrs. Yanklevich said.

Mr. Sakharov, a physicist who was awarded the 1975 Nobel Peace Prize, was exiled to Gorki in 1980 after criticizing the Soviet intervention in Afghanistan. Mrs. Bonner was exiled in 1984.

The family tried twice last week

to call Mrs. Bonner. Reporters informed that Monday's call would be allowed, were given permission to record the first few minutes of the conversation.

For unspecified reasons, Mrs. Yanklevich said, Soviet officials wanted Mrs. Bonner "to leave as soon as possible."

Mrs. Bonner said she would leave as soon as she was able to provide care for Mr. Sakharov through the winter.

"She said it was psychologically difficult for her after their long separation to leave Andrei Sakharov right now," Mrs. Yanklevich said. "She wants to be with him right now."

She said the couple was reunited on Oct. 23, a day before Mrs. Bonner applied for the visa. Family members said that Mr. Sakharov and Mrs. Bonner had been separated while living in Gorki. Reports said Mr. Sakharov had been hospitalized while on his hunger strike.

Mrs. Yanklevich said much of the 25-minute conversation with her mother and stepfather was spent discussing family affairs and talking with grandchildren.

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Alfonsín's Party Gains, Reducing Peronist Seats

By Bradley Graham
Washington Post Service

Buenos Aires — The ruling Radical Civic Union has won a convincing victory in congressional elections widely regarded as a referendum on the first two years of President Raúl Alfonsín's administration.

The government's main opposition, the Peronists, lost votes around Argentina, while small parties on the left and right made modest gains, according to incomplete returns from Sunday's balloting.

[With 99 percent of the vote counted Monday, the Radicals had won 43 percent to 35 percent for the Peronists, The Associated Press reported. The leftist Intransigent Party was a distant third with 6 percent.

The ratio of troops to civilians, nearly six to 1,000, is higher in Argentina than in Brazil, Mexico, or Venezuela, according to an analysis by the Arturo Illia Foundation for Democracy and Peace, in Buenos Aires.

Despite military budget cuts last year, Argentina still spends a greater proportion of its gross national product on the military than the other large Latin American democracies.

Military spending has been pared 35 percent, but the main result has been to hurt morale because institutions have not been

were frequent before his election two years ago, his survival may depend more on his ability to control and calm the military than on his standing with the voters.

Military analysts doubt that a new coup attempt is imminent, but they warn that Mr. Alfonsín's failure to restructure the armed forces has provided an opening for troublemakers.

The government has yet to reduce the size of the army, rid the military of the worst human rights offenders, assign it a peacekeeping function, or increase civilian control, the analysts said.

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The government has not taken any measures to restructure the armed forces," agreed Andres Fontaine, a military analyst at the independent Center for the Study of the State and Society, which has close ties to the government. "They have

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Press Ban May Presage New Crackdown by Pretoria

By Sheila Rude
New York Times Service

JOHANNESBURG — A foreign television news team was detained recently by the police in an area where soldiers were firing tear gas at demonstrating students.

Although members of the crew were seated in a parked car and not filming the unrest they were taken into custody after policemen and soldiers spotted cameras in the car.

At the police station, a captain demanded to see their identification. The cameraman took out a card showing he was accredited as a working journalist by the Foreign Ministry.

"I don't want to see that," the captain said angrily. "Don't show me that card or a Diner's Club card. I want to see some real identification."

The journalists were held for

more than three hours and freed after lawyers intervened.

The incident underlined the powers the security forces enjoy under South Africa's state of emergency decree and their hostility toward journalists, especially those working for news organizations abroad.

As television around the world vividly showed South Africa's spasms of racial strife night after night and other nations reacted

NEWS ANALYSIS

with outrage and sanctions, some political analysts said that the authorities increasingly blamed the messenger for the message.

The analysts said it was this attitude that led the government Saturday to impose major restrictions on local and foreign journalists. They said that the clampdown could both increase South Africa's diplomatic isolation and strengthen the already nearly absolute powers the police and army have to act against their political foes.

The regulations include the banning of television crews, photographers and radio reporters from covering unrest in 38 magisterial

districts covered by the government's emergency regulations.

Under the restrictions, journalists working for newspapers can cover such situations but must report to the local police and follow their instructions. In such cases, the authorities can bar the journalists from areas unless they agree to be escorted by the police.

In addition, only journalists approved by the Department of Foreign Affairs, the Bureau for Information or the police will be allowed to work in the districts covered by the emergency regulations.

The authorities have refrained from imposing total press censorship, which they are empowered to proclaim under the emergency rules. Were censorship to be introduced, reporters could be required to identify their sources of information in areas affected by the emergency decree or could be forbidden by law from writing about the situation.

The Sunday Tribune in Durban said in an editorial that the security forces would now "be able to use all the awesome powers they have available without fear that any miscreant will be ungraciously captured by the camera."

The new rules come as journalists find themselves at times caught between suspicious and angry protesters and hostile security forces.

Reporters, photographers and television crews have spent more and more time dodging the police in areas of unrest. Security forces have assaulted and detained them without charges, sometimes seizing their film or videotapes.

Anti-apartheid activists charged that the government's move to minimize news coverage and, in particular, to curb foreign television, was a step toward even more violent tactics against black and mixed-race protesters.

Without the presence of foreign reporters, these critics say, government opponents would lose an important means to bring about international awareness of repressive measures.

The government recently banned journalists from Soweto, the huge black township near Johannesburg, and activists fear that more black townships may also soon fall under the control of blacks overflowed from townships into the city of Johannesburg on two consecutive Fridays, foreign camera crews were confronted by white citizens with cities of "How much are you paying them?" and allegations that the journalists knew beforehand that violence would take place.

"The world would probably not know that 300 people have died in a little over a year and how much black people are suffering under this cruel system," the critic said.

Restrictions on the press in South Africa are not new. The ruling National Party began curbing journalists soon after it gained power in 1948, and there are already more than 100 laws governing press freedom.

But the new regulations suggest how deeply worldwide criticism has affected this nation. Some local newspapers, in unsubstantiated reports, have accused television teams of paying blacks to re-enact violent incidents.

President Pieter W. Botha referred to these charges last week in a speech before foreign correspondents. He warned the journalists not to go too far in negatively reporting on the country.

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WORLD BRIEFS

Uganda Rebels Set Up Administration

NAIROBI (Reuters) — Ugandan rebels, resuming peace talks with the government, announced Monday they were setting up a formal administration in areas they control. Diplomats said the move by the rebels would dampen prospects for an early settlement in the talks, which are being held in Nairobi.

The National Resistance Army said it had established an interim administration in "liberated zones," mainly in southwestern Uganda, to provide services pending an agreement with the junta in Kampala.

The rebel leader, Yoweri Museveni, said in a statement that 17 departments dealing with matters such as finance, education and agriculture had been set up and 13 district officers had been appointed. Hajj Musa Kigongo, described as a "veteran freedom fighter" and chairman of the rebel inner council, was appointed chief administrator.

Benazir Bhutto Sent Back to Europe

LONDON (AP) — Benazir Bhutto, leader of the opposition Pakistan People's Party, arrived in London on Monday after Karachi police released her from house arrest and put her on a plane for Europe.

Miss Bhutto, 31, had sought permission to answer a summons to appear Nov. 6 before a French court investigating the mysterious death of her younger brother, Shahbaz Bhutto, in Cannes, France, last July.

Before leaving, Miss Bhutto, the daughter of former Prime Minister Zulfikar Ali Bhutto, who was executed in 1979, vowed to return to Pakistan as soon as possible even if it meant her arrest. She said the civilian parliament and government were a front for the military regime of President Mohammed Zia ul-Haq, who has promised to restore full democracy by Jan. 1.



Arafat Arrives for Talks with Mubarak

CAIRO (Reuters) — Yasser Arafat, the head of the Palestine Liberation Organization, arrived Monday night in Cairo for talks with President Hosni Mubarak that could be crucial to efforts to revive the Middle East peace process, officials said.

Mr. Arafat flew from the United Arab Emirates after completing a tour of Gulf states aimed at gathering support for an Arab summit meeting. Their talks will focus on the peace process and a mending of relations with Mr. Mubarak, diplomats said. Mr. Mubarak was angered when some senior PLO officials criticized the way Egypt responded to the hijacking last month of an Italian cruise ship, the Achille Lauro.

For the Record

Fifteen persons were killed in Sicily and six were injured seriously when a bus fell from a bridge Monday, police said. It was going from Leonforte to Catania when it fell about 65 feet (about 20 meters). (Reuters)

Two employees of Japan's embassy in Beirut, who were kidnapped by militiamen in West Beirut last Tuesday, have been released under an exchange of hostages, an embassy spokesman said Monday. (AFP)

West German space officials asked Monday for a one-day extension of the current scientific mission of the space shuttle Challenger, but later withdrew the request when U.S. space officials said some experiments would have to be curtailed to provide the necessary power. The mission is to end Wednesday morning in California. (AP)

Correction

Because of an editing error, it was incorrectly reported in a New York Times dispatch from Jerusalem during the weekend that Yevgeny Neeman is the minister of science and development in the Israeli cabinet. Mr. Neeman is not in the cabinet.

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New Zealand Denies Deal for Guilty Plea By 2 French Agents

Reuters

AUCKLAND, New Zealand — New Zealand denied Monday that it had made a deal with France that led two French secret agents to plead guilty to manslaughter charges in the sinking of the Rainbow Warrior.

Captain Dominique Prieur, 36, and Major Alain Mafart, 35, pleaded guilty to manslaughter and sabotage charges on Monday, before any evidence had been heard. They were remanded in custody for sentencing Nov. 22.

Their surprise admission came 30 minutes into a preliminary court hearing on the sinking of the Greenpeace flagship. A photographer for the anti-nuclear group was killed when the vessel was sunk by an explosion in Auckland harbor on Nov. 10.

New Zealand police had dropped a charge of murder and substituted one of manslaughter. But Prime Minister David Lange, who earlier had called the sinking "a sordid act of state-backed terrorism," said that any suggestion of a deal was untrue.

"They are not for sale," Mr. Lange said of the two agents of France's General Directorate of External Security. "This is a process of law, not some sordid haggling, selling prisoners."

Mr. Lange said the pleas and sentences would not alter a compensation claim lodged by New Zealand after France admitted that

its agents had been ordered to sabotage the Rainbow Warrior.

A defense lawyer, Gerard Curry, also rejected suggestions of a deal. "You can be absolutely sure it is not a political trade-off," he said.

The prosecutor, David Morris, told the court that the police could not prove that Captain Prieur and Major Mafart had personally planted the two bombs that sank the vessel.

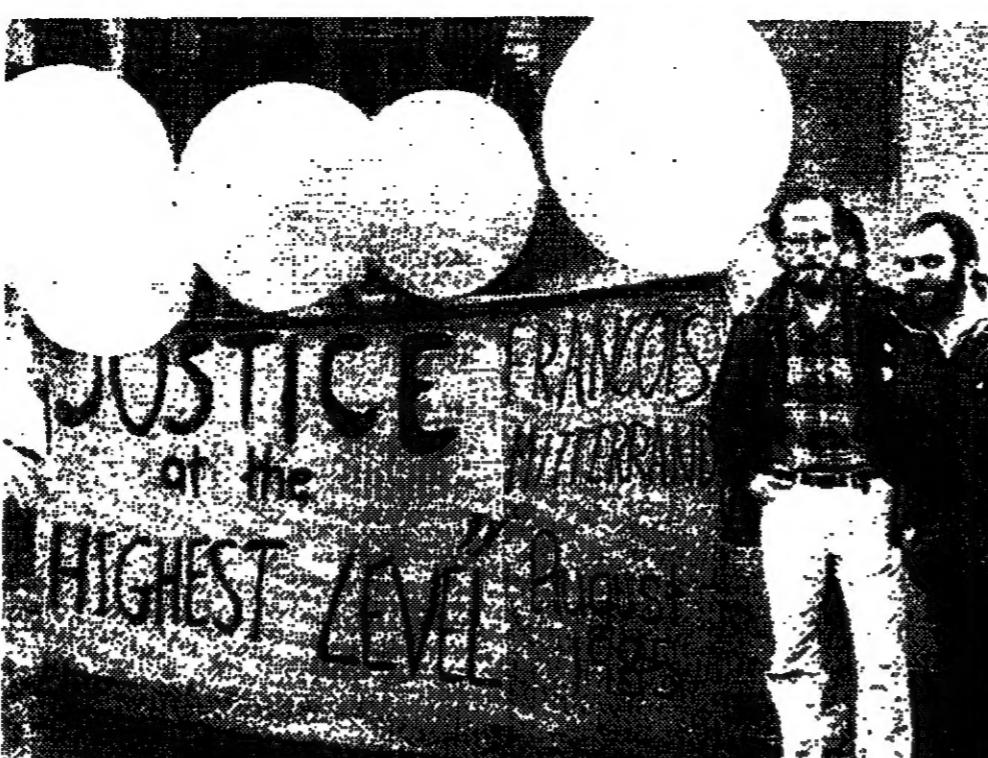
A summary of evidence read after the agents' admissions said that Fernando Pereira, the Dutch citizen who was killed, had not been injured by the explosion but had drowned as he tried to rescue photographic equipment.

The Rainbow Warrior was to have led a protest fleet in an attempt to stop France from exploding nuclear devices at its Mururoa atoll test site in the South Pacific.

David McTaggart, chairman of Greenpeace, said that the outcome was not the justice that President François Mitterrand of France had urged and added: "Mitterrand, Hervé and Lacoste should all have been in the dock today."

Defense Minister Charles Hernu and Admiral Pierre Lacoste, who headed the secret service, lost their jobs in the scandal.

The police still want to arrest three other French agents on murder and sabotage charges. France has said it will not prosecute them because they were acting under orders.



Two Greenpeace officials, Steve Sawyer, left, and Peter Wilkinson, with placards outside the court building where two French agents attended a preliminary hearing Monday.

Battles Loom Over Control of World's Plant Seeds

(Continued from Page 1)

the Agriculture Department.

The plaintiffs, including Jeremy Rifkin, a social activist; Mr. Moon; the National Farmers Union of Canada; and several international environmental groups, are asking that the department be ordered to determine whether its alleged failure to run a broad and well-organized seed bank system has made the nation vulnerable to crop failures and economic damage.

A second front in the war over plant seeds is the suit filed against

"This country and the entire world face a crisis because of the eroding plant gene pool," says the complaint. "The agricultural system of the U.S., in particular, is supported by an extraordinarily narrow genetic base, a situation viewed with alarm by those who have studied the system."

The complaint charges that the Agriculture Department cannot even name all the seed collections around the country, much less sys-

tematically collect seed from them; that there is no attempt to collect seeds of anything other than commercial crops; and that the system cannot guarantee that all the seeds are still viable because of inadequate storage.

Paul Fitzgerald, a deputy administrator of the Agricultural Research Service; George A. White, head of the plant introduction office in the germ plasm research laboratory; and Lewis Bass, head of the National Seed Storage Laboratory, agreed that the work labeling, storing and evaluating samples was hampered by a lack of funds.

But they defended the emphasis on storing seeds of food crops and said that storage conditions appeared adequate.

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The intelligence group, according to analysts, has always been independent. It does little work for the present government. The reconstituted civilian state intelligence agency is still too inexperienced to be of any help, an analyst said.

Many officers who were active when human rights abuses were prevalent are still in uniform, the analyst said. With nine former military rulers on trial and 1,700 cases pending against other officers, the analysts said some of those officers may have reason to feel uneasy and to be interested in plotting against the civilian government.

Even officers who are ministerial sources said in subverting the government are described as impatient with what they see as constant public criticism of the army. When some officers appeared to give pretrial testimony last year, they were met by crowds who shouted insults at them, military analysts said.

If the persecution of individuals doesn't stop at some point, we are not going to have a peaceful country," Captain Maricahoff said. "One day we have to say, 'enough.'"

In Tel Aviv, Israeli military sources said a would-be suicide car bomber was killed when his vehicle exploded after South Lebanese Army militiamen fired on him for ignoring orders to stop. They said the car carried 440 pounds (200 kilograms) of explosives. The report mentioned no other casualties.

In Damascus, Syria urged rival Lebanese factions Monday to stop arguing and sign a Syrian-brokered accord to end 10 years of civil war.

The state-controlled Damascus radio said the factions should end debate on trivial matters and take practical steps toward security and national reconciliation.

The pact, drafted last month by the main Christian, Druze and Shiite Moslem militias after weeks of meetings with Abdul Halim Khaddam, the Syrian first vice president, was to have been signed Sunday in Damascus.

But Moslem political sources in Beirut said some Lebanese Christian leaders had reservations about the draft.

The proposed accord would gradually dismantle the present political system that favors the Christian minority, in part by reducing the powers of the Christian-held presidency.

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U.S. Diplomatic Moves On a Middle East Accord Grow Daily, Israelis Say

By William Claiborne
Washington Post Service

JERUSALEM — U.S. involvement in secret diplomatic contacts with Jordan, Egypt and Israel over a possible comprehensive Middle East peace agreement is intensifying daily, according to a senior Israeli official.

The official, who asked not to be identified, also said Sunday that other nations, such as France, might be utilized in behind-the-scenes efforts to reach a breakthrough for direct Israeli-Jordanian talks initiated in an international forum.

According to the official, the main obstacles that are the focus of U.S. attention are finding a suitable international forum that would lead to direct talks and the nature of Palestinian participation in talks with Jordan and Israel.

The official also said that while Israel did not expect the Syrians to join the peace talks, it would be willing to negotiate with them.

Israeli officials also said that Prime Minister Shimon Peres has decided to rely exclusively on a strategy of "quiet diplomacy" in seeking direct peace negotiations with Jordan in the face of increasing harsh criticism from some members of the rightist Likud faction of his coalition government.

Mr. Peres was described as being determined to seize the moment to initiate talks with Jordan even if it brought his coalition near to dissolution over ideological clashes with the Likud faction.

He had 11 months left before he will have to turn the job of prime minister over to Foreign Minister Yitzhak Shamir, leader of the Likud bloc, and Mr. Peres is known to be anxious at least to begin talks toward striking a peace pact with Jordan before then.

Members of the Likud faction are said to worry that Mr. Peres may have enough time to reach a breakthrough with Jordan, thus scoring, perhaps, enough political capital to force an early election and seek a more favorable coalition.

The prime minister was said to be sanguine about recent press disclosures that he assets were designed to scuttle his peace initiative.

One disclosure, which a Peres aide termed "blatant disinformation," was that Mr. Peres had made

DEATH NOTICE

We announce with deep regret the loss of our great friend

Mme Ida Dembo De Ligga
Internment cimetière Père-Lachaise
Sylvia and Henri Gelfman.

secret offers to King Hussein of Jordan containing sweeping concessions not approved by the Likud ministers of the Israeli cabinet.

A senior Israeli official said that Mr. Peres was convinced that an opportunity for peace with Jordan was so close at hand that it could not be sabotaged by such political infighting.

When asked how he thought quiet diplomacy could succeed in the face of almost certain further attempts at political undermining by some suspicious Likud ministers, a senior Israeli official replied, "It's not easy, but it's going better than you think."

The small Tishya party, with backing by Trade Minister Ariel Sharon, caused a brief uproar last week by purporting to have seen a document containing an offer by Mr. Peres to Hussein of an interim peace agreement. Under the alleged pact, Jordan and Israel would jointly administer a form of limited Palestinian autonomy in the Israeli-occupied West Bank.

The so-called secret plan bore a striking resemblance to the "functional concessions" proposals drafted by Mr. Peres in 1975 when he was defense minister. Those proposals later were incorporated in various widely publicized autonomy plans, including one proposed by Prime Minister Menachem Begin after the 1979 Camp David peace treaty with Egypt.

Mr. Peres denied having made any such offer to Jordan, and then, in a speech to his Labor Party, indicated that his Likud critics might encounter difficulties if they tried to bait him into a mistake during his quest for peace talks.

The momentary "crisis" over the alleged document deflated almost immediately, and Mr. Shamir, leader of the Likud bloc, joined Mr. Peres in issuing the unequivocal denial that an offer had been made.

Mr. Peres's deft management of that episode, coupled with his decisive crushing of a Likud challenge to his peace initiative three days earlier in parliament, emphasized what some political observers in Israel have described as an increasingly sophisticated and coolly purposeful quest for an opening of a peace dialogue with Jordan.

He is said to be convinced that, after the hijacking last month of the cruise ship Achille Lauro, the PLO effectively has been dealt out of the peace process. Thus, Mr. Peres has turned to the trade-off that his advisers regard as essential to give Hussein if direct peace talks are to begin: some sort of international auspices to initiate negotiations.

Such auspices would protect Hussein from assertions of seeking a separate peace treaty with Israel.

Most people said last week that there was less political maneuvering in the running for president in 1988 than in previous years, but that was not true since Soviet leaders fighting in 1979 are still harassing by the government in a bid to

keep the Marine corps in their compound, demanding to have their own bases.

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Russians in Afghanistan Called Heavy Drug Users

By Arthur Bonner
New York Times Service

GHURBAND. Afghanistan — Soviet soldiers in Afghanistan use drugs extensively, and some Russians sell gasoline, ammunition and stolen guns to support their habits, according to several Soviet defectors living with Afghan guerrillas.

In addition, several guerrilla commanders say that they have captured Russians while the soldiers were drugged or while they were trying to buy hashish or heroin from village merchants.

According to Western diplomats and analysts of the Afghan situation in Pakistan and elsewhere, So-

viet troops in Afghanistan have turned to drugs for the same reasons that many Americans did in Vietnam: They are young, away from home constraints, bored, frightened and under fierce pressure to prove themselves.

Afghanistan is one of the world's major production centers for opium and its derivatives, according to U.S. narcotics agents in Pakistan and elsewhere in Asia. It is part of the "Golden Crescent" extending from Iran to Pakistan and Afghanistan, an area that the agents said accounts for more than half of the world's illegal opium output.

The country also is a major pro-

ducer of cannabis-based drugs such as hashish that are consumed throughout South Asia and the Middle East. The profits from these drugs are great; Afghan hashish can be smuggled out of Pakistan, where it costs \$50 a kilogram, for sale in Saudi Arabia at \$3,000 a kilogram, according to the narcotics agents.

Rahmatullah is a Soviet defector interviewed in Afghanistan who previously went by the name Alexei Ivanovich Olenin.

He said that at the Soviet base at Qilgai, where he had been a truck driver, "There are 10,000 Russian soldiers there, and a lot of times they have nothing to do. If they smoke hashish, the officers get drunk on vodka."

"The soldiers are paid in rubles and never have enough money to even buy cigarettes," he said, adding that if the Russians "want to buy from the Afghans, they need afghans, and so they sell gas and ammunition and anything else they can."

Naik Mohammed, a defector previously known as Gennadi Anatolievich Tsevma, said of the Russians: "They sell gas and ammunition. They steal guns from a storeroom and sell them. They use the money to buy hashish."

Another report came from Ahmed, a Russian who said he had defected from the Soviet base at Abadan and was formerly called Alexander Yurievich Levenets. "They sell gas and ammunition to get money to buy hashish," he said. "If a soldier is killed, someone would try to steal his rifle to sell it for money for hashish."

There are many opium poppy fields in northern Afghanistan. Generally, there are about 50 poppy plants in a small plot mixed with other crops such as tomatoes and okra. Tall marijuana plants grow everywhere.

The Afghan guerrillas, known as Mujahidin, say they are opposed to alcohol and drugs because the Ko-



AHMED, WHO DEFECTED FROM THE SOVIET ARMY, NOW FIGHTS WITH THE AFGHAN GUERRILLAS.

ran forbids them. They are fighting a religious war, they say, and will do nothing to violate Islamic teachings. When questioned about drug use, guerrilla commanders say only that their men do not use drugs.

All guerrilla sources acknowledge, however, that groups of heavily armed men who travel the same routes the rebels travel may well be smugglers or drug dealers. Drug dealers can roam freely in much of Afghanistan, calling themselves guerrillas, and can hire bodyguards with Kalashnikov rifles.

In traveling with guerrilla convoys from Pakistan into Afghanistan, armed groups pass each other on trails and ask no questions; to do so might mark a person as a spy either for the Russians or for some other hostile group. Suli Fender, a guerrilla commander in northern Afghanistan, said he had heard many reports of Russians being captured while they were drugged.

About two years ago, he said, a Soviet platoon was making a sweep through villages, mostly deserted, near a highway. Some men from his group were hidden in a house to prepare for an ambush, he said. About two years ago, he said, a Soviet platoon was making a sweep through villages, mostly deserted, near a highway. Some men from his group were hidden in a house to prepare for an ambush, he said.

and "eight Russians came in looking for food."

"They put their guns in a corner and began smoking hashish," Mr. Finder said. "After a while our men took their guns and captured them. There were so many of them and so many other Russians in the area they could not take them away, so they killed them."

Mohammed Sabir is a guerrilla commander at Ghurband, in Parwan province, about 20 miles (32 kilometers) west of the Russian base at Pul-i-Mattak and about 50 miles north of Kabul. He said he does nothing to discourage drug sales because the sales help demoralize the Russians.

"There is a shop near the Pul-i-Mattak base where they go to say what they want to buy hashish," he said. Young boys make the exchange, he said, because the Russians feel it is safer to deal with them than with adults.

"One boy has done this so often he has learned some Russian," Mr. Sabir said.

Mr. Finder said he had made an arrangement with sympathetic shopkeepers in the area that if Russians come to them seeking to buy hashish, the shopkeepers would tell him.

"About nine or 10 months ago," he added, "a Russian who could speak some Persian asked for heroin. He was sent to one of our men." The guerrilla told the Russian that the heroin could be obtained in another village, and the two got into a truck.

The guerrilla "tried to take out his pistol to capture the Russian, but the Russian fought him," Mr. Finder said. "Other Mujahidin came and pulled the Russian to the ground. They took his Kalashnikov and pointed it at him."

"He shouted, 'Why are you doing this? I am your friend.' They shot and killed him right there and left his body for the Russians to find."

More recently, Mr. Finder said, a Soviet officer asked for heroin in a bazaar. "We decided we would capture him alive to use in exchange for some of our men who had been taken prisoner," he said.

But the Russian became suspicious and reached for his gun. Mr. Finder said, and the guerrillas shot him to death.



PRESIDENT REAGAN, IN AN INTERVIEW WITH FOUR SOVIET JOURNALISTS PUBLISHED MOONDAY, HAD DOWN NEW CONDITIONS FOR DEPLOYMENT OF A SPACE-BASED DEFENSE. THE JOURNALISTS REPRESENTED TWO PRESS AGENCIES, TASS AND NOVOSTI, AND TWO NEWSPAPERS, PRAVDA AND IZVESTIA.

Reagan Links SDI to Destroying Arms

(Continued from Page 1)
er, at the summit meeting Nov. 19 and 20 in Geneva.

■ Shultz, Shevardnadze Meet

Secretary of State George P. Shultz met Monday with Eduard A. Shevardnadze, the Soviet foreign minister, to discuss the agenda for the Geneva summit meeting. The Associated Press reported from Moscow.

The two-day visit by Mr. Shultz, who carried a letter from Mr. Reagan to Mr. Gorbachev, could help shape the outcome of the meeting and the course it will set for future U.S.-Soviet relations.

Mr. Reagan has proposed a 50-percent cut in long-range missiles and a ceiling on strategic bombers in response to a Soviet offer of a 50-percent reduction that encompassed all nuclear missile systems.

Mr. Shultz, who is to meet Tuesday with Mr. Gorbachev, while traveling to Moscow that the United States and the Soviet Union remained "quite a difference

apart" on curbing nuclear weapons.

A senior U.S. official said Sunday that negotiators for both sides in Geneva apparently were willing to try to work out an interim accord to freeze intermediate-range nuclear missiles in Europe at 140 each.

At the table with Mr. Shultz were 10 U.S. officials, including Robert C. McFarlane, the national security adviser, and Paul H. Nitze, the principal U.S. arms control adviser.

On the Soviet side, First Deputy

Foreign Minister Georgi M. Kostyukov and Anatoli F. Dobrynin, the Soviet ambassador to Washington, were among 10 Soviet officials assisting Mr. Shevardnadze.

■ Talks in Geneva

U.S. and Soviet arms control negotiators met Monday for four hours to discuss space weapons, the first meeting since Mr. Reagan's offered his proposal last week. Reuters said in a dispatch from Geneva, the talks were extended to allow consideration of the U.S. plan.

Students in Seoul Assail U.S. Policy

Washington Post Service

TOKYO — Student demonstrators occupied the Seoul office of the American Chamber of Commerce in Korea on Monday for about two and a half hours before being removed by police, reports from Seoul said.

The students chanted slogans condemning the United States for pressuring South Korea to open its market further to foreign goods.

The United States is pushing South Korea to open its market in protected sectors such as life insurance and films. Korean officials and the protesting students say market protection is necessary until the industries become strong enough to compete internationally.

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A work crew helps to maintain the changing face of Hanoi by repairing a hole in a city street.

Reagan Will Be Low-Key on Rights At Summit, He May Link Helsinki Pact and Arms Control

By David K. Shipler
New York Times Service

WASHINGTON — In an effort to increase the emigration of Jews from the Soviet Union and improve Soviet treatment of dissidents, U.S. officials have formulated a carefully calibrated strategy for President Ronald Reagan to use in his Geneva meeting with Mikhail S. Gorbachev, the Soviet leader.

According to officials involved in the planning, the president will avoid angry accusations and public declarations. He does not intend to present Mr. Gorbachev with a list of cases, although he is expected to mention several prominent dissidents during the talks.

Instead, Mr. Reagan is being advised to dwell on the importance of observing international agreements — specifically, the 1975 Helsinki accords, which contain provisions on family reunification and the free flow of information — to reassure the American public and Congress that the Soviet Union would adhere to an arms control treaty if a new one is negotiated.

The way the president plans to raise it will not sour the atmosphere, a senior State Department official explained. "One can discuss difficult subjects in a manner that is civilized."

Since 1968, about 265,000 Jews have emigrated from the Soviet Union. But after the number leaving reached a high of more than 51,000 in 1979, Soviet authorities reduced exit permits to a trickle, arguing privately that the United States had reneged on an agreement to improve trade conditions in exchange.

According to the National Conference on Soviet Jewry, based in New York, only 920 Jews have left this year. Emigration of Soviet Armenians is also reported to have been virtually halted.

The subject is one of the most difficult to negotiate with the Russians. Traditionally, the Soviet Union has not wished to discuss human rights at summit meetings, contending that the issue is a purely internal matter and citing the Helsinki accords' ban on interference in the internal affairs of the countries involved.

Because of sensitivities on both sides, the question has the potential for creating friction and damaging other efforts in the talks, which will concentrate on arms control, regional conflicts, and other aspects of U.S.-Soviet relations.

Craxi Reaffirms U.S. Ties, Asks Renewed Mandate

ROME — Prime Minister Bettino Craxi asked Parliament on Monday to confirm his government coalition in office, saying its members now agreed that the government handled the affair of the Achille Lauro excursion liner "correctly and efficiently" and helped secure the release of the hijacked passengers and crew.

Mr. Craxi also described U.S.-Italian ties as unbreakable and defended his insistence that the Palestine Liberation Organization participate in the Middle East peace effort.

Both houses of Parliament were expected to vote their confidence later this week in the five-party coalition. It fell apart when the Republican Party withdrew its support last month over the handing of the Achille Lauro affair. The government released a Palestinian, Mohammed Abbas, despite U.S. demands that he be held for extradition as the mastermind of the hijacking.

Mr. Craxi denounced the "indecency" of news reports suggesting a rift between Italy and the United States.

But he said there must be no repetition of the "incidents at St. Geronella," the Sicilian base where U.S. and Italian troops confronted each other for custody of the four hijackers, who had landed aboard an Egyptian plane that was forced down by U.S. Navy jet fighters. The four are now in Italian custody charged with the hijacking and the killing of an American passenger.

Crisp Dry White Wine from Tsingtao

The city of Tsingtao has a history of links with Germany. These ties undoubtedly influenced the creation of the crisp dry white wine produced at Tsingtao.

Tsingtao Dry White Wine is a dry light wine with a delicate bouquet.



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BWA

Changing Hanoi: Makeup, Jewelry, Morning Jogs

By Barbara Crossette
New York Times Service

HANOI — A resident ambassador calls it Hanoi's "simply lovely" season — the weeks between the stifling months of summer and winter's dismal, bitter chill. The sky is blue, the air fresh and the streets are full of activity.

In the morning people jog, exercise in parks and squares and seem to dawdle on the way to work. By evening, a magician has appeared on the steps of the Central Bank, where an energetic band has swung into "Besame Mucho." Couples draw closer in the dusk.

"Streets very bicycle," a pedicab driver explains cheerily as he swerves in the twilight to avoid a pedaling teen-ager wearing a T-shirt that says "Cheech and Chong." On a downtown corner, a vendor with several dozen mugs is selling beer from a tub.

This wear the change in atmosphere may be more than just seasonal, some long-time residents of the city say.

There are still bullock carts where other Asian cities would have cars, but there are also more motorbikes, more fashionably dressed young people, and more women in rainbow of soft *ao dai*, the traditional Vietnamese tunics and trousers that were once seen less frequently among the black pajamas. Lipstick and jewelry are making comebacks.

Some of Hanoi's new look has to do with the city's celebration in September of the 40th anniversary of the declaration of independence from France. Squares have been repaired, buildings painted and a cluster of picturesque but derelict shops around the city's central lake removed to make more room for grass and park benches.

Other changes grow out of new economic policies that appear to be taking into account, at least for the moment, the grumblies of long-suffering consumers.

Many North Vietnamese have gone South over the last decade to have a look at Ho Chi Minh City, formerly Saigon, and have come back fascinated by its looser and more prosperous-looking way of life.

A lot of people, diplomats say, also have an eye on China's "modernizations." Foreign visitors are often asked for details about developments there, and whether life has improved as much as they have heard.

The runaway hit of the theatrical season is "Me and Us," a satire on petty-minded bureaucrats who get in the way of progress. Tickets, like

everything else, are for sale on the black market, and there are reports that the company is looking for a bigger theater.

The play, by Luu Quang Yu, got

REPORTER'S NOTEBOOK

by the censor, the knowledgeable say, because it is essentially in line with criticisms made by Hanoi's economic pragmatists, who have been in the ascendancy since a party meeting in June.

The play, which originated in Ho Chi Minh City, where it won an award, and has been revised nationally, ridicules the sycophants of party officials, make-work jobs, endless political meetings, and ritualistic jargon.

Audiences seem to empathize with the tragic hero who is clobbered by the system for showing initiative. As a line in the play puts it: He was "wrong to be right too soon."

There is a building boom of sorts in progress in Hanoi. A diplomat said it was a result of the govern-

ment's decision to loosen controls over construction materials, and release bricks and other long absent items for private purchase.

On several streets, piles of brick and cement were destined to become restaurants, workers said. In the countryside, farmers build big-ger houses.

The freeing of construction materials came at about the time the central government decided to make drastic changes in the way its employees, a large percentage of the work force in this strictly controlled Communist economy, were paid. Reward coupons to be exchanged for goods were abolished and wages increased, at least theoretically.

Civil servants are sometimes wary of new policies and divided about whether they will work. Sev-

eral said they now had more money to spend and valued the greater freedom of choice in making purchases. Others said they did not expect significant improvement in their lives.

He had begun drifting animatedly into reminiscences of New York, when he suddenly halted in mid-sentence and pedaled off, his face without expression and his eyes straight ahead as if he had never seen the strangers.

Beneath the next shade tree was a policeman.

Waldheim Seeks Presidency

Reuters

VIENNA — Kurt Waldheim, secretary-general of the United Nations from 1972 to 1981, was nominated Monday as a candidate in Austria's presidential election next May.

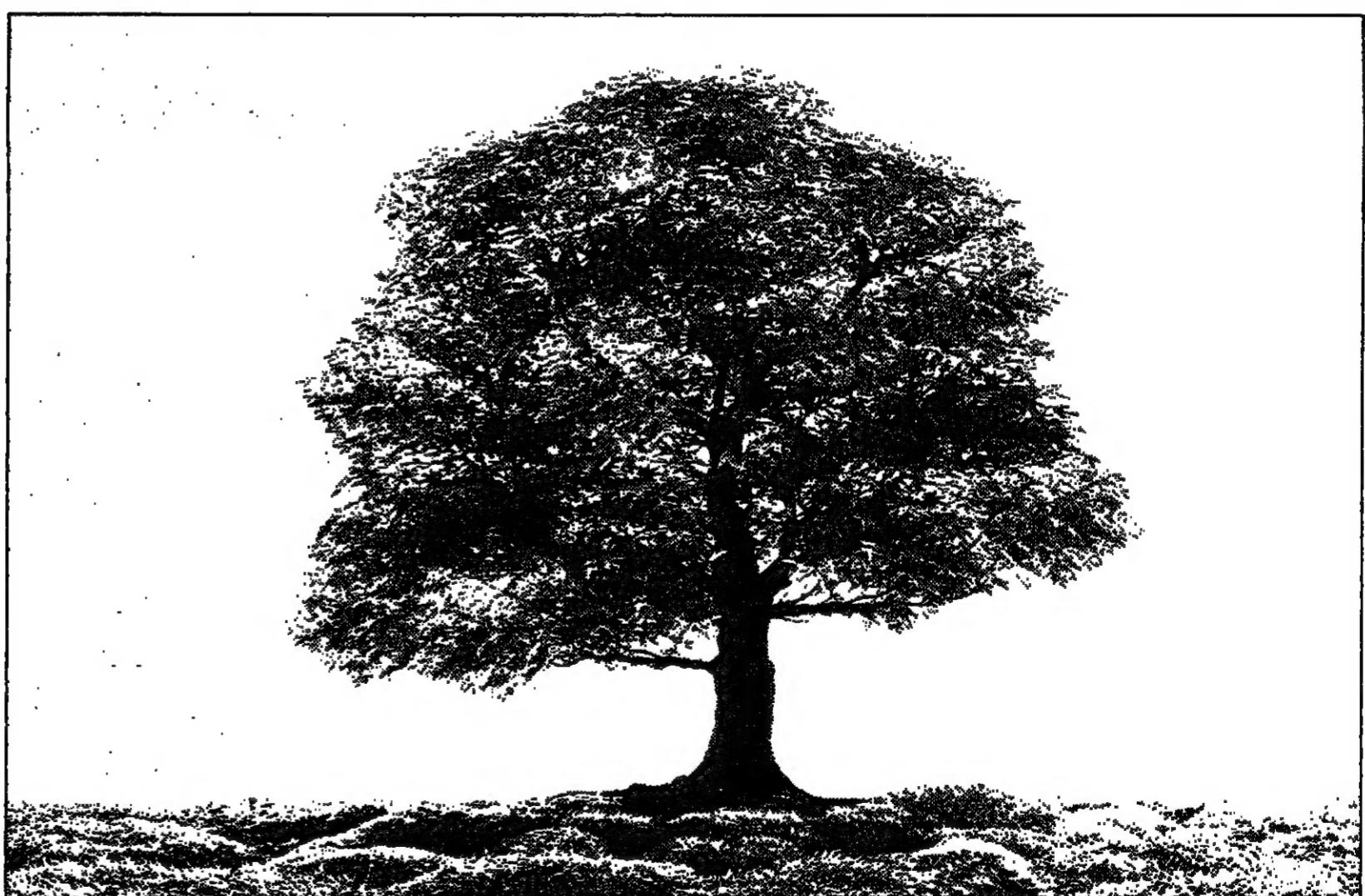
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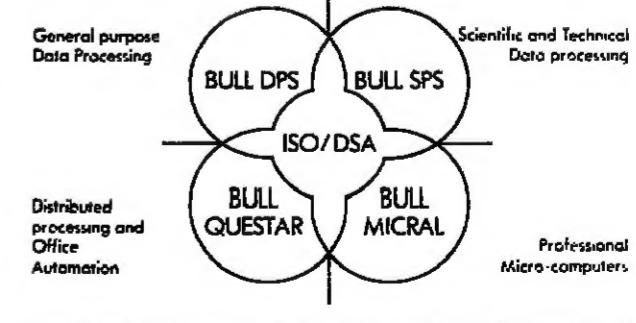


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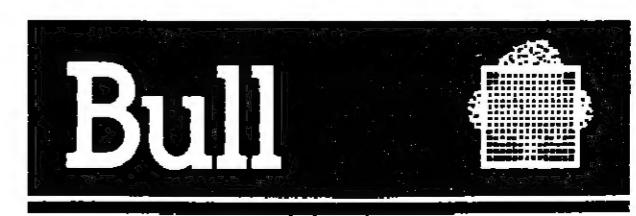
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INTERNATIONAL HERALD TRIBUNE

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Moscow's Radar Message

At one level, the pre-summit meeting proposals that Moscow and Washington are lobbying back and forth are meant to impress an international audience. But the proposals may also have substance, like the Soviet offer on missile-detecting radars.

Years ago, the Russians made a bad decision — to build at Krasnoyarsk in Siberia a radar that almost certainly violates the Anti-Ballistic Missile Treaty of 1972. The partly completed radar is at the center of the Reagan administration's litany that Moscow cannot be trusted to honor arms control treaties.

After months of insisting implausibly on the radar's innocence, the Russians now seem willing to talk about it. Without conceding its illegality, they offer to cease construction if the United States cancels modernization of two radars in England and Greenland.

The ABM treaty allows each side to build radars that give early warning of a missile attack. To prevent them from being used as part of a missile defense system, the treaty requires that radars be located on each country's borders, pointing outward. The Soviet Union has a gap in its early-warning radar coverage that legally could be plugged by building two expensive radars in inhospitable Arctic terrain. Perhaps to save money, it chose to plug the gap with a single radar far to the

south at Krasnoyarsk. But if the Russians figured they could bluster their way through this bending of the rules, they were mistaken. The Reagan administration has made a major issue of the infraction, and with cause.

The American plan to which the Russians object involve replacing steerable dish radars with phased-array radars at Thule in Greenland and Fylingdales in England — an upgrading that could be regarded as inconsistent with the treaty's undertaking that neither side will deploy anti-ballistic missile systems or their components outside its national territory.

The Russians propose that the Krasnoyarsk radar, and the Thule and Fylingdales upgrades, all be scrapped. Since each side attaches great importance to the early-warning capabilities of these devices, the Russians' real hope is presumably for an agreement to continue with all three. That might not be a bad deal, provided that the ambiguities that invited the dispute were clarified. The Russians should pay some price for having an inland radar capable of directing defense of missile fields in defiance of the treaty.

The administration has dismissed the proposed Soviet radar deal as "inequitable and unacceptable." Of course it is inequitable as it stands. But it is also negotiable.

— THE NEW YORK TIMES.

Fairer Campaign-Funding

For the first time since 1974 there is talk that Congress may consider bills calling for major changes in campaign finance regulation. It is not that the current legislation was defective from the start. It is that there is a hydraulic pressure behind money in campaigns, and when the inevitable loophole is found, the money comes gushing through. Not only the Democratic Study Group but conservative senators such as David Boren of Oklahoma and Barry Goldwater of Arizona are prepared to tackle the subject again.

The sense that the system needs repair is strong in a study by the Democratic Study Group showing an increase in spending by political action committees — independent organizations that raise funds for candidates who support their goals — and a decrease in individual contributors. Legislators are uneasy lest it seem that organized interests are buying up Congress while the more diffuse interests of ordinary voters are not being served as well. Political action committees gave more than \$100 million to congressional candidates in 1984, up from \$12.5 million in 1977.

A new bill sponsored by Mr. Boren and Mr. Goldwater would limit House candidates to \$100,000 and Senate candidates to limits based on the size of their state. It would lower the maximum contribution for political action committees and raise it for individuals. It would bar the committees from acting as conduits for individual contributions (a practice referred to as "bundling") and tighten limits

on spending by independent campaigns. The Democratic Study Group is preparing a bill that would provide a 100-percent tax credit on contributions up to \$100. The current 50-percent credit on contributions up to \$50 has just been deleted by the House Ways and Means Committee from its tax bill.

These proposals are in their formative stages. Congress, as it ponders them, should keep three things in mind. First, the key to any campaign finance law is full disclosure. Ensuring full disclosure may require tightening up the soft-money loophole and prohibiting practices such as bundling.

Second, reforms should not unduly restrict the amount of money that candidates, including challengers, can raise. The system suffers not from a surfeit of campaigning but from a perception that the politically adept and economically interested have unfair advantages.

Third, reforms should not impinge on freedom of political expression. The argument of the political action committee organizers that the committees are only a vehicle for voters' expression is self-serving, but cannot easily be dismissed. While Congress could further regulate that particular form of expression, it would be unwise to prohibit it altogether.

After such a long interval, Congress is wise to consider serious proposals for reform. But it should tread carefully, aware how difficult it is to anticipate all the consequences of change in the campaign finance law. The details matter.

— THE WASHINGTON POST.

Other Opinion

Pretoria's Ban on the Press

Repression without witnesses: Such is the substance of Pretoria's decision to ban the South African and foreign press from filming and airing images of violence [in the 38 designated emergency areas]. Incapable of bringing the violence to an end, Pretoria, aware of its crumbling image, hopes to restore its credibility by keeping international opinion in the dark about the facts. No more films? No more photos showing the police killing black protesters? No more denunciations of Pretoria's "racist" regime? It is an absurd calculation.

— *Le Monde* (Paris).

South Africa's press and television restrictions won't stop the mounting unrest. Remember, the young rioters in the townships never saw the pictures of themselves on television. Nor will it allow the fresh and intimidating sweep of police powers to come to bear behind a cloak of total secrecy: South Africa is too tealy and too Westernized.

But turn the thrust of Prime Minister [Pieter] Botha's pronouncements round — as a challenge to journalists covering one of the most important stories in the world. Should bans and threats turn off the tap of news, as Mr. Botha presumes? Is his basic assumption right — that television today lives by action-packed pictures alone? Deny television those pictures, and quite soon, British television and the great American networks will put show business before boredom and consign South Africa to the memory hole of dreadful, bloody,

but unphotographed stories like the Iran-Iraq war. It is a profoundly cynical calculation. Will television editors and journalists prove him right, or wrong?

— *The Guardian* (London).

Bonner: One of a Lucky Few?

Yelena Bonner, the human rights activist and wife of the dissident physicist Andrei Sakharov, has been given permission to travel to the West for medical treatment. Several lesser-known activists have suddenly been granted exit visas. These are welcome, if unpromising, developments. As the Soviet leader Mikhail Gorbachev prepares for his meeting with President Reagan, some modest signs of more decent official behavior were to be expected. If the summit achieves nothing else, it has at least won freedom for a few unhappy Soviet citizens.

— *The Los Angeles Times*.

Both Sides Must Keep Giving

Of course the Soviet and American offers [to reduce their stocks of nuclear weapons] have a propaganda purpose. Yet they go beyond mere posturing and underline the benefits which would accrue from holding an annual high level meeting to discuss reducing tension. The public relations exercise of wishing to appear reasonable and ready to make concessions can, in fact, lead to genuine agreements.

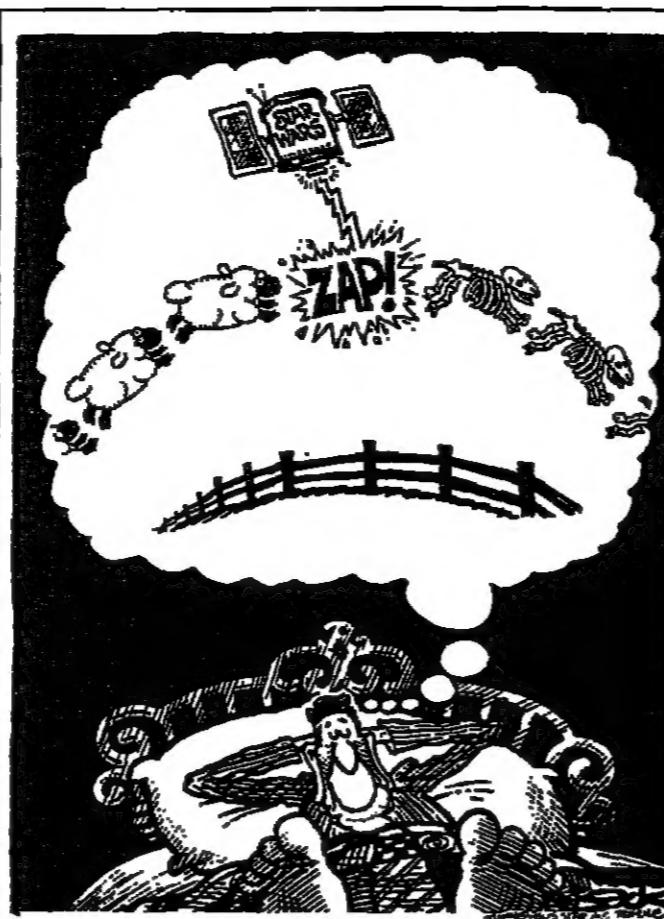
— *The Times* (London).

FROM OUR NOV. 5 PAGES, 75 AND 50 YEARS AGO

1910: South Africa's First Parliament
CAPE TOWN — The First Parliament of the Union of South Africa was opened [on Nov. 4] by the Duke of Connaught, who said: "His Majesty [King George] well knows that you have passed through the fire of sorrow and trouble, and that misunderstanding and conflict have brought calamity upon the land, but all this is now buried with the past. He recognizes, too, that here, as elsewhere, there must exist a marked divergence of political opinion. Such divisions of thought and action are the essence of free and responsible Government. The King rejoices in the knowledge that the union of his South African dominions has already made for the social and material progress of his people, and he feels assured that all South Africans will stand steadfastly for the welfare of their great and beautiful country."

1935: Italians Advance in Abyssinia

PARIS — With the apparent collapse of Ethiopian defenses in the north, Premier Mussolini's Black Shirt invaders are expected to march into Makale, chief objective in the new drive southward, without a shot being fired. Count Ciano, Mussolini's son-in-law, and Mussolini's two airmen sons, flying over Makale [on Nov. 4], reported that the inhabitants have already raised the flag of surrender. Italian observers also reported that concentrations of Ethiopian troops south of Makale have broken camp and are in full retreat [toward Addis Ababa]. Shoshing along muddy mountain trails through a downpour, the Italian troops continued their advance on Makale. Meanwhile, Italian airmen on the southern front carried out extensive bombing operations on Ethiopian concentrations south of Jijiba.



A Crayola Defense Line: Coloring the World Safe

By Ellen Goodman

BOSTON — Until I saw the commercial, I had no idea that "star wars" was so simple that even a kindergarten child could understand it. I thought you needed physics, when all you really needed was Crayolas. The regular box of Crayolas, not even the giant size.

The 30-second television spot, brought to me courtesy of the Coalition for the Strategic Defense Initiative, changed all that. It opened with Crayola figures of Mom, Dad, child and Spot. (I think it was Spot, although it might have been a small brown horse without a mane. Hard to tell.) There was also a black Crayola house and a yellow Crayola sun.

While the school piano tinkled in the background, a little girl narrated her wonderful tale of 10 Crayolas in search of national security. "I asked my daddy what this 'star wars' stuff is all about," she began.

"He said that right now we can't protect ourselves from nuclear weapons; that's why the president wants to build the Peace Shield."

As she reported this, a white line appeared in a huge arc that covered the house, family, horse/dog and even the sun. This was the Crayola Peace Shield. The young narrator went on to explain how "it would stop missiles in outer space so they couldn't hit our house." On cue, little brown Crayola missiles bumped up against the white Crayola shield and were destroyed.

The girl concluded, "Then nobody could win a war and if nobody could win a war there's no reason to start one." With that, the shield turned into a rainbow and even the sun began to smile.

Frankly, I always liked coloring, not to mention story hour at school. This tale had just enough truth in it to be especially appealing. Creating a "Peace Shield" is not really much harder, after all, than drawing a gigantic white line around the sun. The real sun. In fact, instead of financing the Pentagon's efforts at "star wars," I think we should commission the artist Christo to wrap America. It would be cheaper.

What is so artistic about the pro-SDI spot is not just the coloring. It is the timing. The 30-second commercial already has been seen in Washington, and the conservative

Reagan's 'Good Deed' for the Poor

By William Safire

WASHINGTON — In a few weeks, the Reagan administration will propose something good for poor people, something that will encourage voluntary racial integration in schools — and it will drive the liberal establishment up the wall.

Twenty years ago, in the heyday of the Great Society, America generously decided to try to help children, mainly from poor families, to remedy their difficulties in school.

The federal government now is sending about \$3.5 billion a year to local schools for remedial education programs, and it probably does some good. But it goes to schools struggling to help pupils in poor neighborhoods, and the kids there who need the special help rarely reach the average.

Now the Education Department will offer a plan to Congress to make it possible for poor parents to do for their children what rich parents now can, in fact, lead to genuine agreements.

The idea is to send a voucher for educational services to the parents of children who now qualify for remedial aid. In effect, the plan will say:

"Take this slip, worth \$630 a year, to the school you think will do the best job teaching your child. It can be a public or a private school, near your home or clear across town. The school that enrolls your child gets the federal money, and if you do not like the job that school does, you can switch next year."

If you are poor, stuck in a ghetto and want a better life for your child, this would be a good deal. You would shop around, find a good school — probably in a white, middle-class neighborhood — and willingly send your child there by bus or subway. If you are a school administrator, probably use the money-benefit voucher; moreover, you an educator whose calling is to value the teaching of the disadvantaged child. Here is your chance to do what you talk

Still Apartheid, Even in the Dark

By Aggrey Klaaste

JOHANNESBURG — Four black journalists from the Soweto, a newspaper of which I am editor, were driven around the townships of Soweto last Tuesday morning lying face down on top of a military armored vehicle for about four hours. One of them, after being beaten about the head and kicked all over his body, had a dog set loose on him. Two others have swollen faces and split lips. They say they were assaulted by South African soldiers.

The incident is not unusual in a black journalist's working life in South Africa. The four young men were naive to think their press identification cards would be sufficient protection for them to move around the huge black suburb after the 11 P.M. curfew, which has been in force several months now under state-of-emergency regulations. Instead, their press cards seemed only to infuriate the military men.

Soweto, home to two million blacks, is now off limits to the press, as are other designated emergency areas. The divisional commissioner of police in Soweto, Brigadier J.C. Coetzee, said of the press blackout: "I am sorry, but it means that reporters who live in Soweto cannot do their work there. I issued the ban on instruction from headquarters, and it is clear ... All journalists, foreign and local, have been banned from entering Soweto." (Since then he has said some reporters might be admitted if they asked Mr. Coetzee's permission.) The order presented an impossible situation for reporters who live in and cover Soweto, and consequently the four men from my newspaper were afraid of the rule.

The blackout is nothing new in the history of this country's deceptively free press. Many outsiders are struck by the way in which opposition journalists in South Africa seem to lash out fearlessly at the state and its policies. And yet press freedom in South Africa is a chimera that applies the most insidiously effective muzzle on the free exchange of ideas. It is also an apt reflection of the country's racist and repressive structures.

For black journalists, who live mainly in areas where instability manifests itself, the free expression of

ideas and information is a hazardous business. From the pioneering days of black journalism in the late 1950s and throughout the 1960s, writers either have been destroyed through despair and frustration in their jobs, or they have fled the country.

In the 1960s, a sort of renaissance period for black newspapers, the situation was even more tragic. Most of the black writers were intoxicated by the Wardie and Weekend World, were banned; no reason was given.

In 1980, the government set up a commission to look into the press. Some of its recommendations were heart-rending. It proposed not only that journalists should have a code, but that they should be registered like doctors or lawyers. The press bitterly protested against government interference and potential censorship, and the letter of the proposal was not implemented. But the spirit still had journalism in a squeeze of self-censorship and sometimes plain harassment. Black journalists took most of the flak. Many were detained. Photographs had their equipment confiscated and their film destroyed. Some journalists were charged, and two are serving long jail terms.

The 1980s saw an upsurge of news coverage of the townships by white reporters, particularly from television. This drove the government into another panic situation. Ironically, the emergence of white reporting took the spotlight and some of the pressure away from black newspapers. There were just too many newsletters from South Africa and abroad in the townships. For awhile, the government lost the upper hand.

The current state of emergency, instituted July 21, has created more problems for journalists. And the latest measure is ludicrous. News coverage of events inside South Africa has been so extensive that putting a blackout on the emergency areas now is like shooting the gale after the wave has bolted.

The writer is the deputy editor of the *Soweto*. He contributed this column to the *Los Angeles Times*.

Why Bail Out a Repressive Romania?

By Juliana Geran Pilon

WASHINGTON — American concern for human rights should be extended to apply to Romania. The regime of Nicolae Ceausescu is one of the world's most repressive. Yet Romania continues to be given special and generous treatment by the United States.

Exports from Romania to the United States enjoy most-favored-nation status, which significantly reduces the tariffs on them. To grant this privilege to Romania, the United States has had to waive the Jackson-Vanik amendment to the 1974 Trade Act, which prohibits the use of government credits and most-favored-nation treatment to Communist (or "nonmarket") countries unless they can demonstrate progress in human rights, particularly on emigration.

Legislation was introduced this past summer to deny most-favored-nation status to Romania permanently. In recent weeks, Representative Christopher Smith, Republican of New Jersey, and Senator Paul Tsongas, Republican of Virginia, introduced a more modest but equally useful proposal — to deny most-favored-nation status to Romania for a six-month probationary period.

Regrettably, the State Department opposes all these measures.

Most-favored-nation status is of great benefit to the Ceausescu regime, providing it with badly needed hard currency and credits, as well as legitimacy. At the same time, most-favored status increases the U.S. trade deficit: While the total value of two-way trade between the United States and Romania increased from about \$450 million in 1976 to more

half of 1983, while American exports to Romania were only \$94.5 million.

The purpose of the Jackson-Vanik amendment is to assure the continued dedication of the U.S. to fundamental human rights. Yet Romania persecutes religious believers, uses psychiatric hospitals for political purposes, censors almost everything, bans free labor unions and literally has pulverized Bibles into pulp to turn them into toilet paper. Recently, the government announced plans to forcibly "relocate" old people, moving them from their city homes to the countryside.

According to the former U.S. ambassador to Romania, David Funderburk, many of the Romanians allowed to emigrate are criminals being "dumped" in the United States, agents instructed to infiltrate the emigre community, or forcibly exiled

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We will take Eastern Europe. We will organize the hordes of Asia. And then we will move into Latin America and we won't have to take the United States; it will fall into our outstretched hands like overripe fruit.

When did Lenin say that? The quote fell like an overripe fruit into a televised discussion that followed Mr. Reagan's appearance. A Soviet official, Georgi Arbatov, called it a Nazi invention once exposed by the commentator Alistair Cooke. Mr. Cooke, sitting at hand, just smiled.

The New York Times

LETTER TO THE EDITOR

A Chance for India's Poor

Steven Weisman's report on the return to New Delhi slum life of artisans, acrobats and others who had participated in the Festivals of India in the United States and in France ("After Fest, Indians Return to Squat," Oct. 14) pointed out the obvious irony of these people's experience. But it failed to note that these poor migrants to the capital never would have dreamed even of the transitory fame and fortune that touched their lives had the Indian government not chosen them as

Morgan Guaranty continues to manage issues in more currencies than any other underwriter

With the current uncertainty in the U.S. dollar exchange rate, non-U.S. dollar capital markets continue to grow. In this environment, more and more multinationals are turning to The Morgan Bank for non-dollar bond financing.

In the first nine months of 1985—in which over half of all international bond issues were in non-U.S. dollar currencies—our subsidiary Morgan Guaranty Ltd was lead manager of issues in a wider range of currencies than any other underwriter.

Here's what makes Morgan a truly global financial intermediary.

As a major participant in the international securities markets—as well as the worldwide foreign exchange, government bond, and bullion markets—we have an exceptional ability to perceive and exploit market opportunities for our clients.

Morgan is the leading counterparty that can act with equal proficiency as either principal or agent in interest-rate and currency swap transactions.

Morgan's financial strength—over \$5 billion in primary capital—lowers our clients' cost and risk in intermarket arbitrage.

Our clients find that using foreign currency bond markets broadens their investor bases and facilitates economic and accounting hedges of overseas investments. Through currency and interest-rate swaps we help them create dollar obligations at substantially reduced costs. We also identify opportunities to earn arbitrage profits in non-dollar markets.

Some examples of how Morgan has helped borrowers take advantage of new opportunities in non-dollar markets so far this year:

Deutschmarks. Morgan Guaranty GmbH was lead manager of an R.J. Reynolds DM265 million issue swapped into U.S. dollars. This was the first

Selected non-U.S. dollar issues
lead-managed by Morgan Guaranty
January–October, 1985

Bank of Tokyo	AS50 million
British Petroleum	¥ 17 billion
British Petroleum	£50 million
Chrysler Financial	SF150 million
Chrysler Financial	NZ\$65 million
Coca-Cola Financial	NZ\$75 million
European Investment Bank	DKR250 million
Gaz de France	FF500 million
IBM Credit	NZ\$60 million
IBM France	FF700 million
IBM World Trade	ECU150 million
IC Industries	CS50 million
ITT	SF100 million
J.C. Penney	¥ 26 billion
Kingdom of Sweden	FF500 million
McDonald's	¥ 25 billion
Mobil	FF500 million
Motorola	ECU50 million
Nordic Investment Bank	DKR200 million
Olivetti	SF100 million
PepsiCo	SF130 million
Peugeot	FF500 million
R.J. Reynolds	DM265 million
R.J. Reynolds	SF275 million
Security Pacific	ECU100 million
Sterling Drug	£30 million
World Bank	SF600 million

straight Euro-Deutschmark issue in which a foreign-owned firm acted as book-running lead manager.

Swiss francs. Morgan Guaranty (Switzerland) Ltd launched as book-runner a SF235 million issue which we combined with a currency swap to provide 15-year U.S. dollar financing for R.J. Reynolds. Increased to SF275 million, this was the largest Swiss franc offering to date by a U.S. company. In the Swiss public bond market we were also book-running lead manager for issues

for ITT, PepsiCo, Olivetti, and the first zero coupon issue for the World Bank.

ECUs. Morgan was lead or co-lead manager of ten ECU issues, including an ECU100 million issue for Security Pacific Australia which we swapped into U.S. dollar financing.

Sterling. We were book-running lead manager for Euro-sterling bond issues for British Petroleum and Sterling Drug. In addition, Morgan lead managed a \$100 million issue for Minnesota Mining & Manufacturing that was the first dollar/sterling dual-currency issue ever.

Yen. For J.C. Penney, we arranged U.S. dollar fixed-rate funding, at a cost below the yield on U.S. Treasury notes, through a Euro-yen bond issue and currency swap.

New Zealand dollars. This year we've led nine issues, including a NZ\$75 million Coca-Cola Financial issue which we swapped into fixed-rate U.S. dollar financing.

French francs. We were co-lead manager, with two French banks, of a Gaz de France issue that reopened the Euro-French franc bond market after a four-year lapse. Then we co-led French franc issues for IBM France, the Kingdom of Sweden, Peugeot, Mobil, and Electricité de France.

Danish krone. We were lead manager for the first two issues in the Euro-Danish krone bond market, which opened this year.

Let us compete for your mandate. You'll find we deliver innovative services in the capital markets with the same high quality and skill that have long been hallmarks of all Morgan banking.

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BUSINESS ROUNDUP

Belzbergs Mount Offer for Potlatch

Reuters
WASHINGTON — A Canadian financial group controlled by the Belzberg family has offered to acquire Potlatch Corp., a major U.S. lumber, plywood and paper concern, in a transaction valued at about \$670 million.

The chairman of Potlatch, Richard Madden, called the proposal "extremely unattractive" and said he would urge the company's board of directors to reject the offer.

However, the company's stock rose \$6.75 Monday to \$42.75 on a volume of 506,800 shares on the expectation that the company would be taken over by the Belzbergs or someone else.

Potlatch said it received a letter over the weekend from First City Financial Corp., a Vancouver, British Columbia concern, offering to acquire the company for \$45 per share, the Belzbergs said.

Sixty-nine percent of First City

is owned by the Belzberg brothers, who are part of a wealthy Canadian family with interests in real estate, trust and leasing, consumer and financial service concerns.

The Belzbergs disclosed in a filing with the Securities and Exchange Commission Monday that they already hold the equivalent of a 5.7-percent stake in Potlatch. The stake includes 522,500 shares and an option from Bear, Stearns & Co., a Wall Street brokerage partnership, for an additional 200,000 shares, the Belzbergs said.

The brothers said that they held the Potlatch securities through first City Financial Corp. and First City Trust Co., which they also control.

Potlatch has proposed an amendment to its bylaws that would give existing shareholders four votes to every one for new shareholders. The Belzbergs said they were considering a proxy fight against the proposed measure and

that their \$45 offer was contingent on the withdrawal of the plan.

The Belzbergs gave Potlatch's management until 5 p.m. local time Wednesday to respond to their offer, and said that talks could lead to a higher bid.

Mark Rogers of Dean Witter Reynolds Inc. said he believed that the offer of \$45 per share was inadequate. He said that in a takeover situation, the company should be worth in the \$60-a-share range and that fundamentally Potlatch stock would be valued in the upper 40s.

Analysts predicted that Potlatch would not be able to remain independent or to continue in its present structure in light of the offer.

"In the forest-products industry, most of the companies that have been involved in this type of situation have not been successful withstanding it," said Larry Ross of Paine Webber Inc.

Revolving accepted Pantry Pride's latest offer of \$38 a share, or about \$1.74 billion, on Friday after the court upheld a lower court's finding that Revolving's directors had breached their fiduciary duty by giving Forstmann Little a contract to buy two of Revolving's most important units as part of the purchase of the entire company.

Pantry Pride began its run at Revolving in August with a bid of \$47.50 a share. The bid was raised several times as Revolving's management countered with a plan to take the company private in partnership with Forstmann Little.

Ronald O. Perelman, Pantry Pride's chairman and chief executive officer, said Sunday that Pantry Pride was negotiating with Revolving to take control of Revolving's board "promptly," after Pantry Pride's victory in the three-month takeover battle.

Revolving has promised to work with Pantry Pride "to ensure an orderly transition."

Forstmann Little & Co., the New York investment house that had made a competing bid for Revolving, is expected to fight a ruling by the Delaware Supreme Court on Friday that led to Revolving's decision to give in to Pantry Pride's offer.

(Reuters-NY)

93% of Revolving Is Tendered In Pantry Pride's Takeover

Compiled by Our Staff From Dispatches

NEW YORK — Cluett, Peabody & Co., escaping a takeover by a California investor, said Monday it had agreed to be acquired by West Point-Pepperell Inc. for about \$375 million in cash and stock.

Cluett, Peabody is a New York-based apparel maker. West Point-Pepperell, headquartered in West Point, Georgia, produces textiles and household fabrics.

The announcement said the investor who had been pursuing a hostile acquisition of Cluett, Peabody, Paul A. Bilzerian of Sacramento, agreed to sell his Cluett shares to West Point and to drop his tender offer for the remaining stock.

Mr. Bilzerian led an investor group that already owned about 24 percent of Cluett.

Under the agreement, West Point-Pepperell would pay either \$41 in cash or 0.9704 of a share of its common stock, which is also valued at \$41, for each Cluett share.

Mr. Bilzerian's group had offered \$40 a share.

Minebea Bid Deadline Passes

Compiled by Our Staff From Dispatches

TOKYO — A deadline for takeover negotiations between a U.S.-British consortium and Minebea Co., a leading Japanese manufacturer of ball bearings, passed Monday with no indication that the talks had been held.

The consortium, comprising Trafalgar Holdings Ltd. of the United States, headed by Charles Knapp, and Glen International, a London securities and investment concern, made an unsolicited \$1.4-billion offer for Minebea Oct. 25.

It set Monday as a deadline for Minebea to accept its offer to buy all Minebea shares, including those reserved for the conversion of warrants and convertible bonds. After the deadline, the consortium said, it would go ahead with an unfriendly tender offer.

The U.S.-British bid would be the first hostile takeover in Japan; in a defensive move, Minebea announced last week that it was merging with a clothing subsidiary, Kanemori Co., effective April 1. The merger, Minebea said, would raise Minebea's capital to 17 billion yen (\$79 million).

The president of the Japanese concern, Takami Takahashi, said the merger had been considered for some time but the agreement was signed because of the Trafalgar-Glen bid.

The Japanese business community is watching anxiously how the consortium's bid fares. It was not clear late Monday whether Minebea's merger with Kanemori would be sufficient to thwart the foreign consortium's hopes.

"They're making a big mistake by picking us," Minebea's executive vice president, Iwao Ishitaka, said of the foreign bidders. "Even if they succeed in taking us over, the entire staff will quit and they'll have no company left."

Meanwhile, Trafalgar's executive vice president, Mark Dodge,

said the consortium had "already begun to plan for whatever changes of management may be necessary."

Minebea, with a market value of \$600 million and 1984 sales of about \$730 million, has purchased 23 companies since its founding 25 years ago, including a \$110-million purchase last year of New Hampshire Ball Bearings Inc. The transaction gave Minebea control of 80 percent of the U.S. miniature-bearings market.

(APF, UPI)

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NOTICE TO SHAREHOLDERS OF REPUBLIC HOLDING S.A. IN LIQUIDATION (formerly Trade Development Bank Holding S.A.)

13 Boulevard de la Foire, 2013 Luxembourg, Luxembourg

FIRST DISTRIBUTION OF ASSETS

At the Extraordinary General Shareholders Meeting of Republic Holding S.A. ("RH") held on October 29, 1985, the Shareholders decided to put RH in liquidation and approved the liquidation plan submitted by the Board of Directors, which plan consists essentially in the distribution to RH Shareholders of a cash payment and of 9,355,846 shares per value US \$5. of the Common Stock of Republic New York Corporation ("the RNYC shares").

Mr. Edmund J. Safra, Chairman of the Board of Directors of RH and holder of 61.0% of RH shares, has declared that he has no present intention to sell the RNYC shares he will receive directly or indirectly as a result of the liquidation of Republic Holding S.A.

At the first meeting of the Liquidators Committee of Republic Holding S.A. in liquidation held on October 24, 1985, the Liquidators decided to effect as of November 12, 1985 the first distribution of assets made up of:

a) US \$2 - cash payment for each share of Republic Holding S.A. in liquidation;

b) 0.56473 shares of RNYC shares for each share of Republic Holding S.A. in liquidation.

Republic New York Corporation is listed on the New York Stock Exchange and the London Stock Exchange.

INFORMATION CONCERNING SHAREHOLDERS OF REPUBLIC HOLDING S.A. IN LIQUIDATION WHOSE SHARES ARE BEARER FORM

1. As from November 12, 1985, starting date of the distribution, each Shareholder should present coupon Nr. 17 and 18 of his shares of Republic Holding S.A. to anyone of the Paying Agents listed below, or request his bank to act as per his instructions. Coupon Nr. 17 entitles the Shareholder to the US \$2 - cash distribution, coupon Nr. 18 to the distribution of RNYC shares.

2. Upon presentation of coupon Nr. 18, the Paying Agent will confirm to the Shareholder the number of RNYC shares to which he is entitled and, in accordance with his instructions, will arrange for the issue, registration and delivery of his entitlement in RNYC shares.

3. No fractional shares of RNYC shares will be delivered. Fractional shares entitlements will be paid in cash, on the basis of the closing price of RNYC shares on the New York Stock Exchange Computer Transaction Tape on the day of presentation of coupon Nr. 18 to the Paying Agent, or, if such day is not a trading day on such exchange, the immediately preceding day.

Payment in respect of fractional entitlements will be made on the business day (which expression shall mean a day in which banks are open for business in London and New York, or the place of business of the Agent, as the context requires) next following the day of presentation of the relevant coupons numbered 18, unless such day is not a trading day on the relevant exchange.

4. No RNYC shares will be distributed in respect of coupons Nr. 18 presented after January 10, 1986. After January 10, 1986, the RH Shareholders will be entitled to receive only their pro rata share of proceeds from the sale by RH of the undistributed RNYC shares against presentation and surrender of coupon Nr. 18 at the office of Republic National Bank of New York (Luxembourg) S.A. ("RNB Luxembourg"), an indirect wholly-owned subsidiary of RNYC. The proceeds of such sales will be deposited with RNB Luxembourg promptly after the proceeds of such sales are received.

5. Coupons Nr. 17 and 18 may be presented to any of the Paying Agents listed below:

Manufacturers Hanover Limited
3 Prince's Street, London EC2P 2EN (England)

Banque Internationale à Luxembourg S.A.
2 Boulevard Royal, Luxembourg (Luxembourg)

Manufacturers Hanover Banque Belgium
13 Rue de Linde, 1000 Brussels (Belgium)

Manufacturers Hanover Banque Nordique
20 Rue de la Ville-l'Évêque, 75008 Paris (France)

Manufacturers Hanover Trust Company
Bockenheimer Landstrasse 51/53, Frankfurt (W. Germany)

Manufacturers Hanover Trust Company
40 Wall Street, New York, N.Y. 10015 (U.S.A.)

Republic National Bank of New York
455 Fifth Avenue, New York, N.Y. 10018 (U.S.A.)

Republic National Bank of New York (Luxembourg) S.A.
103 Grand'Rue, 1661 Luxembourg (Luxembourg)

Trade Development Bank
30 Monument Street, London EC3R 8LH (England)

Trade Development Bank (Luxembourg) S.A.
34 Avenue de la Porte Neuve, Luxembourg (Luxembourg)

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Sunshine Australia Bids \$226 Million For Rest of Wormald International

Reuters

SYDNEY — Sunshine Australia Ltd. said Monday it will make a bid valued at \$24.2 Australian dollars (\$226.7 million) for the 80.57 percent of Wormald International Ltd. it does not already own.

Wormald, a fire protection and security group, operates in many countries, including Britain and the United States.

The bid for 4 dollars a share is for 11.06 million Wormald shares.

The value of the offer is based on Friday's close for Wormald stock on the Sydney Stock Exchange.

Sunshine currently holds 15.7 million Wormald shares. Sunshine's managing director, Lee Ming Tee, said. He added that the offer is conditional on Sunshine receiving acceptances for 90 percent of

Wormald shares, have traded actively this year in a range of between 3.10 dollars and 4.02 dollars, because of takeover speculation.

The company, earlier this year, fought off a partial bid from Adelaide Steamship Co. totaling 3.55 dollars a share. The bid was later raised to 3.60 dollars.

Baring Announces Major Restructuring

Reuters

LONDON — Baring Brothers & Co., a privately owned London-based merchant bank, announced Monday a major restructuring plan.

The bank, which has increased its Asian operations and entered the British stockbroking business within the last two years, said the reorganization would enable it to increase more easily its debts for further expansion.

Changes in British financial markets also prompted the move, Baring said.

Under the changed structure, a

new company, Barings PLC, will be formed.

It will have two principal subsidiaries, Baring Brothers and Baring Investment Management Holdings.

Baring Investment will deal with its Asian operations and enter the British stockbroking business.

Under the new structure, the Baring Foundation, a charity, will own all the equity in Barings PLC.

Changes in British financial markets also prompted the move, Baring said.

However, the directors will convert their existing 26 percent inter-

est in Baring Brothers into cumulative preference shares of Barings PLC.

A total of 10.9 million of the 12.5 million eight-percent cumulative preference shares will be issued.

In addition, Baring said the restructured bank will extend the scope of profit sharing, limited previously to senior executives and directors.

Baring's Asian operations include merchant bank interests in Hong Kong, Singapore and Kuala Lumpur, investment management in Tokyo and Hong Kong, and a venture capital company in Japan.

Notice of Special General Assembly of Shareholders of

FIDELITY AMERICAN ASSETS N.V.

NOTICE IS HEREBY GIVEN that a Special General Assembly of Shareholders of Fidelity American Assets N.V. ("the Fund") will be held on November 24th, 1985, at 10.30 a.m. at the registered office of the Fund at Schottegaweg Oost, Salina, Curacao, Netherlands Antilles for the following purposes.

1. To consider approving the Exchange Agreement under which the Fund will combine its assets with those of American Values N.V.
2. To consider approving certain organisational changes made in furtherance of the Exchange Agreement and the new investment structure, as follows:

(a) terminating the Fund's existing accounting services agreement and entering into a new administrative services agreement with American Values N.V. and Fidelity International Limited under which the services performed under the existing accounting services agreement will continue to be performed;

(b) terminating the Fund's existing custodian contract because the Fund's investments will be made through American Values N.V. which will have an identical custodian agreement with the Fund's custodian;

(c) changing the investment objectives, policies and limitations of the Fund to reflect the new investment structure, as better reflect the present portfolio of the Fund and to satisfy requirements of the Luxembourg Stock Exchange; and

(d) changing the Valuation Regulations of the Fund to take account of the new investment structure.

3. To transact such other business as may properly come before the meeting.

Implementation of the actions specified in

The Bank of Bermuda Limited
Hamilton, Bermuda

Kredietbank S.A. Luxembourgoise
43 Boulevard Royal
Luxembourg

Fidelity International Management Limited
25 Loyal Lane
London EC3R 8LL

By Order of the Management
Charles T

JULY 1985

Page 17

Growth of 2.5% Forecast in U.K.

By Reuters

LONDON — The London Business School said Monday that it expected the growth of the British economy to hold steady at 2.5 percent in 1986 with inflation below 4 percent by the middle of the year.

This would mean little change from this year's rate of underlying growth, excluding the effects of the economic rebound that followed the ending of the miners' strike.

The school said the strong pound would be the main cause of a fall in inflation. It said it agreed with a forecast by Nigel Lawson, chancellor of the Exchequer, that inflation would drop below 4 percent in mid-1986 from 6 percent now. Bank base lending rates, now 11½ percent, were expected to fall to 9 percent by the end of 1986.

U.S. Service-Sector Data Fails to Measure Up

(Continued from Page 11)

Machines Corp., feels certain that "there's a lot of productivity gain going on" in the economy being missed because of inadequacies in measuring what computers do.

Overstating the trade problems of the United States, Harry L. Freeman, executive vice president of American Express, thinks exports of services are considerably bigger than estimated. He notes that the Commerce Department put a figure of \$60 billion on service exports a couple of years ago but he thinks it may actually be more like \$100 billion, because of unreported business activity.

"The trouble is that a lot of people don't realize they're exporting services," he says. "Americans manage hospitals around the world; that's an export of services. If a U.S. law firm bills a German bank for telling it what Congress is doing on the tax bill, that's an export."

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port."

Part of the problem is that ser-

domestic production and 22 percent of employment last year. Their share of U.S. employment was largest than manufacturing, which now employs 19 percent of the work force, though manufacturing still produces about 25 percent of gross domestic product, as it has for 25 years. GDP is defined as the basic measure of a nation's output of goods and services, excluding certain income from abroad.

Already, the new information has paid dividends. Janet L. Norwood, the commissioner of Labor Statistics, points out that the improved BLS surveys showed companies providing temporary help to other employers were among the fastest growing service businesses. Mrs. Norwood thinks future surveys of companies that supply temporary workers may help identify cyclical swings in the economy.

With an additional \$1.5 million Congress appears to be ready to add to its funding this year, BLS will look into ways to measure the elusive output of service industries.

BLS had hoped to start some of this work two years ago, when Congress also added funds — \$750,000 at that time — that had not been requested by the Reagan administration. But the Office of Management and Budget insisted the Labor Department to use the money to cover part of the government-wide pay raise that went into effect that year.

There is evidence now that none of these things are as true as they once were. Just how much is hard to say, because of the lack of data.

Goods-producing industries last year accounted for only 32 percent of the dollar value of what the United States produced and 29 percent of the jobs. Services, broadly defined to include everything else — transportation, communications, public utilities, wholesale and retail trade, finance, insurance, real estate, business and personal services and government — accounted for the rest.

Those things most people think of as services — health care, legal work, barbers and beauty shops, repair services and so on — constitute what economists call the service industries, as opposed to the service sector. The service industries accounted for 14 percent of

the total output of services in 1984.

Nonetheless, steps are being taken to improve service statistics.

The effort is led by big service compa-

nies, the Labor and Commerce de-

partments and a new trade group,

just on the total fees of 15 basic

and updating of the standard in-

dustrial classification, which will

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Trade is another area in which an

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partments and a new trade group,

just on the total fees of 15 basic

and updating of the standard in-

dustrial classification, which will

provide the framework for the

benchmark economic censuses to

be taken in 1987, as they are every

five years.

Trade is another area in which an

effort is being made to revise, ex-

and upgrade the statistics, as com-

pared to the amounts of money we need

to think of as capital in entering,

a heavy manufacturing busi-

ness. On the other side of the coin,

the knowledge-capital accumulated

in the software writer's head, or in

the documentation, or on disks, is

very substantial and very real. A

strong argument can be made that

information capital is as important,

or even more critical, to the future

growth of the American economy than money.

Nonetheless, steps are being tak-

en to improve service statistics.

The effort is led by big service compa-

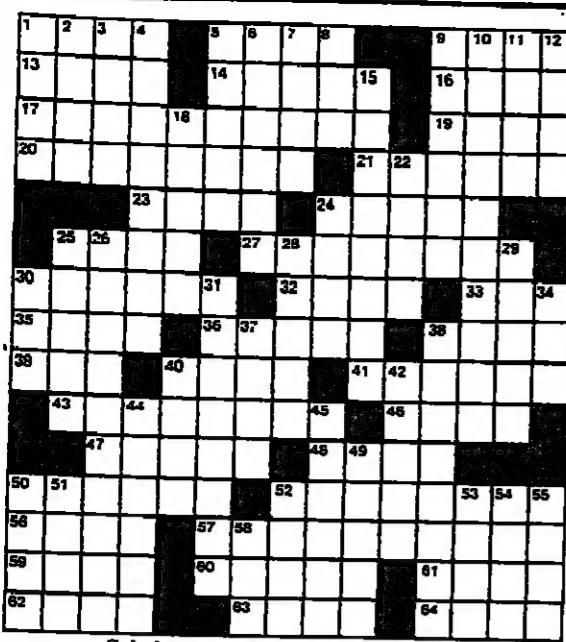
nies, the Labor and Commerce de-

partments and a new trade group,

just on the total fees of 15 basic

and updating of the standard in-

dustrial classification,



Solution to previous puzzle on page 17 11/5/85

CROSSWORD

1 T-men, e.g.
5 French minister's title
9 Put one's foot down
13 Chinese horn
14 Patriot Silas
16 San —, Italy
17 Election Day hopefuls
19 Gide's "Die"
20 Eight of man's teeth
21 Longs for environs
22 Arrive before the course
24 Less cowardly
25 The maples, to a botanist
27 Gallup, Harris or Roper
30 Stingless, feckless bees
32 D.C. security breach
33 Henpeck
35 Prohibition
38 Aviary sound
39 Musolin's daughter
39 Tic —— toe
40 Breakfast food
41 Periods of boredom
43 Aftermaths of very close elections
46 Vapor: Comb. form
47 Elm's bounties

1 Centers of attention
2 Israeli statesman
3 Therefore, in Tours
4 Lees
5 Annex
6 Consoler's advice
7 Dugout wood
8 Ethyl's adherent
9 Spot for a hot spot
10 Direct vote on a proposed law
11 Fail to include
12 Polka followers
15 Increase rapidly, as prices

18 French Alps area
20 Siberian city
22 This permeates a victory party
25 Like football crowds
26 Subject of a loser's post-election speech
28 Fragrant
29 Where Kaltenborn held forth
30 Banned insecticide
31 Pastries (literally, "whirlpools")
34 Yak-on'he dais
37 Grow dim
38 Getting into the race
40 Adonis's killer
42 Kind of orange
44 Paratroopers' gear
45 "Never — know for whom . . .". Donne
49 Jason's father
50 Like absentee ballot casters
51 Vending
52 Obstruction
53 German river
54 Surrender, in Sienna
55 Speedy planes
58 Actors' org.

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DENNIS THE MENACE

"MOM TELLS ME THE STUFF I SHOULDN'T DO AND MY DAD TELLS ME THE STUFF I SHOULD DO!"

JUMBLE THAT SCRABBLE WORD GAME

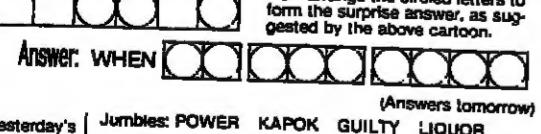
Unscramble these four Jumbles, one letter to each square, to form four ordinary words.



TEGOB



ROBIT



INSHIF



PEWDOL



Answer: WHEN

(Answers tomorrow)

Yesterday's Jumbles: POWER KAPOK GUILTY LIQUOR

Some girls close their eyes while kissing, but others do this — LOOK BEFORE YOU LIP!

WEATHER

EUROPE

HIGH LOW

Bangkok

Singapore

Moscow

Tokyo

Alexandria

Paris

Prague

Rome

Stockholm

Strasbourg

Venice

Vienna

Zurich

AFRICA

Buenos Aires

Caracas

Cape Town

Harare

Lagos

Maputo

Montevideo

Nairobi

Tunis

Windhoek

ASIA

Bangkok

Beijing

Chengdu

Manila

New Delhi

Peking

Seoul

Singapore

Taipei

Tokyo

AMERICA

Anchorage

Atlanta

Baltimore

Boston

Chicago

Denver

Detroit

Houston

Los Angeles

Montreal

<p

ART BUCHWALD**'No Countdown for Me'**

WASHINGTON — NASA has just announced that it will choose a journalist to fly into orbit on a space shuttle flight next fall. The passenger will be selected from thousands of journalists by the Association of Schools of Journalism and Mass Education.

Minimum requirements are that the candidate be a citizen of the United States, have five years of journalistic experience and be working at the time.



Buchwald

The applicant must pass a physical examination and be able to demonstrate an ability to communicate to mass audiences in broadcast and print media.

I am aware of what you're thinking: I would be the perfect person to take the flight! But before you nominate me I have to warn you I have no interest in going into space.

Sure, I know your argument. I am probably in better physical shape than any journalist in the country, and could handle weightlessness more easily than most. And there is probably no question in your mind that I could do a better reporting job. So why won't I fly? The main reason is I have to think of myself before my country.

This is the downside to the shuttle flight. They say I would have to give up four months of my life to prepare for the three- or four-day NASA flight. Since I've already had intensive training flying the Eastern Shuttle to New York I don't see why I need more.

The next thing that bothers me is that the candidate has to promise not to violate the privacy of his fellow astronauts. This makes no sense. If you can't violate someone's privacy you have no right to call yourself a journalist. Space, for

Play Postponed Again

The Associated Press

FRANKFURT — The Monday opening of a Rainer Werner Fassbinder play whose premiere was scuttled by Jewish demonstrators last week has been postponed until Nov. 13, to allow a "cooling-off" period, city authorities said.

all its grandeur, is still the story of human beings holed up in an aluminum cigar, standing on their heads, hurling around the globe while TV records them waving to the camera.

I have other reasons for turning down the flight. One is that I will be required to pool all the information I gather with every other reporter on the ground.

Should I risk my life so everyone else can get my story? Pooling with other reporters is unfair because the only reason for a journalist to go into space is to make his colleagues look stupid when he returns.

The idea of NASA giving a journalist a free trip in a shuttle could present a conflict of interest. Let us say, for argument's sake, the food is lousy, the crew is fooling around and the much-touted walk in space doesn't live up to the advertising. How can you report freely what really goes on behind closed doors on a shuttle when NASA is picking up the tab?

The final thing that bugs me about the offer is that we are journalists were NASA's fourth choice — after Senator Jake Garn, a Saudi Arabian prince and a schoolteacher named Christa McAuliffe. Senator Garn has missed everything he saw, as has the princess and Mrs. McAuliffe, who goes up next, isn't planning to keep what she sees a secret either. By the time a journalist is launched there won't be one new thing in space left to see.

I have only given a few reasons why I don't want to go up in the shuttle. I'm not surprised that when you first read the story of NASA offering to shoot a professional communicator into the sky my name immediately came to mind. And I hope I haven't disappointed any readers by withdrawing from the competition.

Some of you, in your enthusiasm, may have already submitted my name. If so, please write to the NASA Journalist in Space Project, University of South Carolina, Columbia, South Carolina, and tell them to take me out of consideration. I don't want the NASA people to select me and then find out, to their embarrassment, that I'm the only member of the media who doesn't want to go.

Lawyer's Novels Probe Business Ethics

By Sandra Salmans
New York Times Service

NEW YORK — As Louis Auchincloss sets his things have never been worse. "We've fabricated a society of wolves and coyotes," he said. "Why does anybody think we're better than we were in the robber baron days?"

It is more than 30 years since Auchincloss, the 68-year-old writer and lawyer, began worrying about business ethics. Recently, with scandals exploding at military contractors, brokerage firms and banks, the rest of the world seems to be catching up with him. The Harvard Business Review is holding its second annual competition for the best article by a manager or executive on ethical problems in business. It appeals to men and women "caught in the jaws of expediency and conscience," as the review editor put it.

Conscience, in business and law, is what Auchincloss has explored in most of his 37 books. In his just-published novel, "Honorable Men," his hero, a man of rigorous morality, debates the ethical pros and cons of takeover battles. In his forthcoming "Diary of a Yuppie," a lawyer — "a perfectly horrid young man" — scrambles ruthlessly to the top of the heap — a conclusion that suggests Auchincloss' increasingly dour view of what his characters call the "great world."

"I wonder if there are any rules at all now," he said. "Do people care about anything else beyond being caught? Not from where I sit."

Where Auchincloss sits most days is small corner office of Hawkins, Delafield & Wood, a Wall Street law firm specializing in bonds. He is a partner in trusts and estates, a white-shoe specialist in which he deals exclusively with private individuals.

The firm itself is something of a legal backwater, according to Steven Brill, editor and publisher of *The American Lawyer*, a monthly magazine. But Auchincloss "is highly regarded," a lawyer. "He said, "You don't hear much about him." He added, "but you rarely hear about people in trusts and estates unless they're Roy Cohn."

The firm itself is something of a legal backwater, according to Steven Brill, editor and publisher of *The American Lawyer*, a monthly magazine. But Auchincloss "is highly regarded," a lawyer. "He said, "You don't hear much about him." He added, "but you rarely hear about people in trusts and estates unless they're Roy Cohn."

In "Honorable Men," for example, the hero, Chip Benedict, is caught on the horns of several moral dilemmas involving the family business. To meet the demands of the market place, he moves the company into cheaper products and finances the expansion by taking it public. He thus makes it vulnerable to a takeover bid. By Barnham Industries, a New England behemoth in household equipment. Initially, he fights the bid with the usual artillery: antitrust suits; private investigations into personal lives. Then he decides that such tactics are repugnant, and that even his goal of saving the company may be morally debatable. He aban-



Marilyn K. Yoo/The New York Times

dons the fight, sells his stake and makes a personal fortune.

Auchincloss is saying that the best moral course for a takeover target is to yield.

"Who can possibly tell in a takeover?" he said. In a takeover fray, he added, "worse things may be done by the people who resist takeovers" than by the would-be acquirers. On each side of a hostile takeover, he said, lawyers "bring lawsuits that are not motivated, merely harassing. I was brought up to believe lawyers who did that were shysters."

In both his moral scruples and his literary career, Auchincloss is used to feeling alone. In 1956, law firms were said to have asked job applicants their reaction to his novel, "The Great World and Timothy Colt," which explored whether it was possible for a man to retain his integrity at a Wall Street law firm. Now, if he is read at all by lawyers, it is for entertainment.

"I've been reading his stuff for years," said Martin Lipton, a leading mergers and acquisitions lawyer. Lipton said that he reads the novels mainly for their portrayal of society, rather than their observations on the law — and he staunchly defends the morality of fighting hostile takeovers. Still, he said, "out of what Auchincloss has to say about lawyers and law-

yers' clients and the way law firms operate is well taken."

Lipton's interest may be unusual. Auchincloss believes he is largely不理解 by his colleagues in the legal community. "It's most infrequent for businessmen and lawyers to read novels," he said. "Only women read novels — and now they're going professional." Furthermore, he said, fiction-writing lawyers are regarded with suspicion. "I don't think people like their lawyers writing novels," he said. "Many people think you can't do two things at one time. I think it's hurt me. It has impeded my career. That doesn't mean it's wiped me out."

The reviewers have not wiped out his literary career, either, but the lack of critical recognition is plainly dispiriting.

Auchincloss pulled out a recent review in *The New York Times* that said if there was a wider moral role in the endorsements he is able to make, Getty, 53, was interviewed in the private London Clinic, where the paper said he has spent more than a year receiving treatment for phlebitis, an inflammation of the veins. The reporter, Henry Porter, said Getty can pursue his passions for literature and the cinema of the 1930s and 1940s from his hospital bed. He also occasionally goes out with friends and receives hospital visits from a select circle, including

PEOPLE**Vintage Car Speeding?**

Britain's annual London-Brighton vintage car run, a restrained event for pre-1905 road aristocrats, ended with organizers accusing the driver of a speedy German veteran of unseemly racing — at more than 20 mph (32 kph). The 1902 Daimler-Benz entered by the Mercedes-Benz Museum of Stuttgart, nipped into Brighton only 1 hour 48 minutes after setting out from London's Hyde Park on the 57-mile run Sunday. The Daimler-Benz, driven by Tom Mervin, arrived more than an hour ahead of the next fastest participant — a 1898 Rochet tricycle which was followed by a 1902 French-built Mors. "Our rules clearly state that this is not a race. It is more of a social event," said the clerk of the course, Peter Cooper. He complained that the Daimler-Benz must have cracked along at more than 20 mph, the average speed limit laid down by the organizers, the Royal Automobile Club. "We will review the situation Tuesday and decide whether to disqualify this car from next year's run," said Cooper. "We do not want to turn it into a race, as it could be dangerous for those taking part."

When Frances Pappas agreed in Chicago to take her new husband, Michael Witkowski, for richer or for poorer, there was not much on which to bet. He won \$40 million in the Illinois State Lottery in 1984, the biggest lottery jackpot in North America. The couple wed Saturday in a bilingual English and Greek service, then left for a honeymoon in Australia.

Mikhail Baryshnikov danced. Bette Midler sang and the cast of "La Cage aux Folles" performed Sunday to raise \$1.3 million for AIDS research and care. The sold-out show "The Best of the Best" at the Metropolitan Opera House featured 30 stars who donated their talents for the city's largest show to date to raise funds for the fight against acquired immune deficiency syndrome. Baryshnikov's appearance was his first on stage since a knee injury in August. . . . In Beverly Hills, California, an array of Hollywood stars joined Monet's royal family in a weekend of festivities centering on the second Princess Grace Foundation-U.S.A. gala. Prince Rainier III and his children, Prince Albert, Princess Stephanie and Princess Caroline, were the star attractions Sunday at a fundraiser for the foundation, which raises scholarship money for young artists. Cary Grant and his wife, Barbara, who chaired the event, attended along with Frank Sinatra, Roger Moore, Gregory Peck and Jimmy Stewart. The first fund-raiser was held two years ago in Washington.

The publisher Malcolm Forbes and his wife, Roberta, obtained a divorce after 39 years of marriage. It was granted Sept. 19. Judge Robert Ranch disclosed in Jackson, Wyoming, Forbes, a former New Jersey state senator, is the publisher of *Forbes Magazine*.

The American oil magnate John Paul Getty III said that as long as he has money, he will keep giving it away. In a rare interview with *The Sunday Times* of London, the reclusive billionaire who has become one of Britain's biggest philanthropists said he has no use for an income of £100 million (about \$144 million) a year and takes pleasure in the endowments he is able to make. Getty, 53, was interviewed in the private London Clinic, where the paper said he has spent more than a year receiving treatment for phlebitis, an inflammation of the veins. The reporter, Henry Porter, said Getty can pursue his passions for literature and the cinema of the 1930s and 1940s from his hospital bed. He also occasionally goes out with friends and receives hospital visits from a select circle, including

Queen Elizabeth II returned to Britain Sunday after a 26-day tour of 10 Commonwealth countries in the Caribbean, including a state visit to the Bahamas during the biennial Commonwealth Conference. Her husband, Prince Philip, had returned earlier.

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